

## Message Text

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ACTION COME-00

INFO OCT-01 ARA-14 EUR-12 ISO-00 SEC-01 EB-08 PRS-01

/037 W

-----025163 290516Z /14

R 281906Z DEC 77

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 234

INFO AMEMBASSY LONDON

UNCLAS NASSAU 2054

DEPT PASS TO SECURITIES AND EXCHANGE COMMISSION

E.O. 11652: N/A

TAGS: EFIN ECON BF US

SUBJ: HOTEL CORPORATION TO AWARD CASINO CONTRACTS

1. IN PRESS RELEASE DATED DECEMBER 24, 1977 THE GOVERNMENT-OWNED BAHAMAS HOTEL CORPORATION ANNOUNCED THAT PARADISE ENTERPRISES LIMITED AND PLAYBOY CLUB INTERNATIONAL OF LONDON "WILL HAVE THE PRIVILEGE" OF OPERATING THE HOTEL CORPORATION'S CASINOS AT PARADISE ISLAND AND CABLE BEACH (NASSAU) OVER THE NEXT DECADE. PARADISE ENTERPRISES LIMITED WILL HAVE THE PRIVILEGE TO OPERATE THE PARADISE ISLAND CASINO FOR TEN YEARS FROM JANUARY 1, 1978 FOR FEE OF \$4 MILLION PER YEAR PLUS 15 PERCENT OF GROSS WIN OVER \$20 MILLION AND PLAYBOY CLUBS INTERNATIONAL WILL HAVE PRIVILEGE TO OPERATE CORPORATION'S CASINO ON CABLE BEACH FOR TEN YEARS FROM JANUARY 1, 1978 ON PAYMENT OF \$1 MILLION IN 1978; \$1.5 MILLION IN 1979 AND UNTIL GOVERNMENT-PLANNED HOTEL-CONVENTION COMPLEX IS OPEN AND THEREAFTER \$4 MILLION A YEAR PLUS 15 PERCENT OF GROSS WIN OVER \$20 MILLION. THE HOTEL CORPORATION WILL LEASE THE PREMISES NOW USED AT PARADISE ISLAND FROM PARADISE REALTY LIMITED. THE HOTEL CORPORATION IN 1978 PLANS TO CONSTRUCT A SMALL

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TEMPORARY CASINO AT GOVERNMENT-OWNED AMBASSADOR BEACH HOTEL AND THEREAFTER A NEW LARGE CASINO WILL BE PERMANENTLY LOCATED IN THE GOVERNMENT-OWNED CONVENTION COMPLEX.

2. NEGOTIATIONS HAVE NOT BEEN CONCLUDED WITH INTERCONTINENTAL DIVERSIFIED CORPORATION'S (ICD)

BAHAMAS AMUSEMENTS LIMITED ON THE OPERATION  
OF "EL CASINO" IN FREEPORT. THE LICENSE FOR THAT  
FACILITY EXPIRES JANUARY 31, 1978.

3. MR. E. P. ERSKINE-LINDOP, SECRETARY, HOTEL  
CORPORATION, CONFIRMED WITH EMBOFF ACCURACY OF  
ARRANGEMENTS CITED IN PARA 1 ABOVE AND SAID FULL  
DETAILS OF CASINO OPERATION ARRANGEMENTS WILL BE  
PRESENTED TO PARLIAMENT WHEN IT CONVENES NEXT YEAR.

4. COMMENT: PARADISE ENTERPRISES LTD. AND PARADISE  
REALTY LTD. ARE BAHAMIAN COMPANIES 100 PERCENT OWNED BY  
RESORTS INTERNATIONAL, INC., WHOSE PRINCIPAL  
EXECUTIVE OFFICE IS 915 N.E. 125TH ST., NORTH  
MIAMI, FLORIDA 33161. CLASS A AND CLASS B COMMON  
STOCKS OF RESORT INTERNATIONAL ARE REGISTERED TO BE  
TRADED ON AMERICAN STOCK EXCHANGE.

5. INTERCONTINENTAL DIVERSIFIED CORPORATION HAS  
COMMON STOCK REGISTERED TO BE TRADED ON THE  
NEW YORK STOCK EXCHANGE.

6. BOTH RESORTS INTERNATIONAL AND INTERCONTINENTAL  
DIVERSIFIED CORPORATION FILE 10KS WITH THE SEC  
PURSUANT TO SECTION 13 OR 15(D) OF THE SEC ACT OF  
1934.  
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